

# MEMO

DATE: June 14, 2011

TO: Mayor and City Council Members

FROM: Tom Hardy, City Manager

RE: 2011-12 Fiscal Year Budget

---

## **INTRODUCTION**

Permit me, for a moment, to take a brief trip down memory lane. Thirty years ago this month the City adopted its 1981-82 budget. The U.S. Census had just come out confirming that Bountiful was still the largest city in Davis County, and the fifth largest city in the state. It was the commercial center of Davis County, and generated more sales tax than any other Davis County city. The average family size per dwelling unit was 4.3, and Woods Cross High School had recently opened to accommodate the high school population coming out of Bountiful homes. There was no Stone Ridge, no Summerwood, no Bridlewood, no Newport Heights, no Eagle Ridge, and just a few homes in Cave Hollow and the Ridges. Bountiful Boulevard was a road that dead-ended on the north at 1800 South and on the south at Indian Springs Road. Almost all of Val Verda was still unincorporated, yet to be annexed into Bountiful, and other than Kmart, there was virtually no commercial development west of Highway 89 on either side of the freeway. The 5-Points Mall, anchored by Safeway and Albertson's, was the largest mall in Davis County.

Bountiful had its own fire department, with nine full time fire fighters and was just ambulance service in the City. The senior citizens' center and the Bountiful library were recent additions to the civic center complex, joining the new City Hall, built only two years prior in 1979. Bountiful had its own animal control, its own sewer system, and a relatively new recreation center that included a swimming pool with a "bubble" over it in the winter time and an ice skating rink. The City had just begun to underground new electrical, telephone and cable utilities. Inflation was running in double digits for a third year in a row, with 11% inflation in 1979 and 14% inflation in 1980. Main Street was anchored by Lakewood Furniture, Servus Drug, Doug Smith Chrysler Jeep, the Co-op, and Reams, with J.C. Penney's on the north and Alpha Beta, Roy Price Chevrolet and Bountiful Lincoln Mercury on the south.

Fast forward to June, 2011. Significant development has occurred east of Bountiful Boulevard. The LDS Church has built a temple. Large amounts of commercial development has occurred

west of Highway 89 on both sides of I-15, including many large box stores that were not even heard of 30 years ago – Home Depot, Lowe’s, WalMart, Costco, and others. Inflation is creeping up to an annual rate of 2% after negative inflation of .34% in 2009 and positive inflation of 1.4% in 2010. The housing market in Bountiful, while not as severe as the rest of the nation, continues to suffer from the severe after effects of a 10 year housing bubble that began in the late 1990s and continued until approximately 2008. Aided by easy credit, housing prices have dropped 20-30% in the last three years, and there is speculation that the “Great Depression” in the housing market may last for another 3-5 years. The federal government is running huge budget deficits, with a tsunami of baby boomers set to retire and put further strains on the burgeoning Medicare and Social Security portions of the federal budget. Much of Europe is financially distressed, with potential defaults ranging from Greece to Portugal and Spain to Ireland. Years of over-promising social benefits that assumed, an ever-increasing population, an ever-expanding economy, and only minor longevity rates has now reached a crisis point. Many people are predicting that the United States government is not far behind. China is now the world’s largest economy.

The “Great Recession” of 2008 may be coming to an end, but at a significant cost to our nation. Unemployment continues above 9%, and many people have simply left the work force and are not seeking employment. Sales tax, the major revenue source for state and local governments, along with income tax, the major staple of income for federal and state governments, have both suffered significantly. Sales tax projections for the state for the 2011-12 fiscal year are projected to finally recover back to 2006-07 levels. Income tax revenues have not yet recovered to 2008 levels. The weak economy has taken a devastating toll on federal, state and local government budgets. Retirement systems of the different states are significantly underfunded. While Utah is in a better situation than almost any other state in the nation, the funding level of the Utah State Retirement System is still in the low 80% category.

Bountiful has consolidated its fire department with the South Davis Fire District, resulting in the South Davis Metro Fire Agency, which now has 60 full time fire fighters and paramedics. New stations have been built throughout the South Davis Metro Fire area. South Davis Sewer System has taken over ownership of the sewer collection system in Bountiful and provides all of the services relating to sanitary sewer service. Davis County Animal Control now provides animal control services for all of Davis County, including Bountiful. The cities of South Davis County joined together to build a new recreation center, open in 2007, which is funded by the five cities of South Davis County and the unincorporated area, approximately three times the size of the old recreation center. East bench development has taken place almost to the natural city limits, and Bountiful is now 99% built out, with very little raw ground available for future new development. Bountiful is now the 15<sup>th</sup> largest city in the state, surpassed by ten newly incorporated or rapidly developing cities. Colonial Lumber, Anderson Lumber, Bountiful Lumber, Lakewood Furniture, Reams, Safeway, Albertson’s, Servus Drug and many other businesses are gone, replaced by offices, banks, and health care facilities.

Much has changed over the past 30 years. What the next 30 years will hold is anyone's guess, but one thing is certain – it will not be the same 30 years from now as it is today. However, there are some things that have not changed in the past 30 years. The mission of the City of Bountiful, “to provide the highest quality services at the lowest possible cost” has been a constant throughout our 30 year history. Being a “pay as you go” city, avoiding debt where at all possible, has been a constant. Keeping Bountiful's public infrastructure up to date through repairs, upgrade, replacements, and expansion, have been a constant. Providing a world-class city that is safe, convenient, enjoyable, and esthetically pleasing has been a constant objective. Creating a place where our citizens – young, middle aged and old alike – can be educated, can recreate, shop, worship, and easily and quickly travel within the community, has been a constant. Only time will tell whether we will be judged 30 years from now to have achieved those objectives, but I am pleased and proud to have been a part of this community during those years and hope that the citizens of Bountiful appreciate the efforts that we have made to make Bountiful THE place to live in the state of Utah.

### **2011-12 BUDGET**

The budget presented to you tonight for public hearing and possible adoption, represents several months of preparation on behalf of the staff and the Mayor and Council. This budget has been reviewed in detail, and is reflective of our goals and objectives. The budget is balanced with regard to revenues and expenses. The total budget is \$78,811,995. In order to complete the construction of the 200 West natural gas turbine project, the 2011-12 budget proposes to transfer \$10 million from the City's capital projects fund into the power fund and to spend the remaining \$5 million of the \$15 million electric revenue bond that was issued last November. When completed, this \$25,000,000 budget will provide Bountiful citizens with a reliable supply of power that can be quickly turned on and turned off depending on demand, and can be used to complement the electrical generation base load resources that the City has in the Intermountain Power Project, the Colorado River Storage Project, and the San Juan Coal Fired Project. Together with the City's two hydroelectric plants at Echo and Pine View, the City will better be able to meet its peak needs in the summer time when the citizens are using large amounts of power for air conditioning, now and in the future.

### **NO TAX OR UTILITY RATE INCREASES**

Bountiful has for many years enjoyed the enviable position of having the lowest property tax rate of any of the 25 largest cities in the state of Utah. Bountiful has one of the lowest property tax rates in Davis County. Bountiful's utility rates – electric, water, garbage, storm drainage and recycling – are, on a combined basis, much less than other cities in Davis County and lower than almost any city in the state of Utah. Residents pay less in Bountiful for City services than they would in any other city. In fact, the Utah Taxpayers Association recently published a “Cost of Government” report showing that Bountiful was among the lowest “per capita” cost cities in the state of Utah. Additionally, most Bountiful residents enjoy the advantages of “secondary” water, also known as “Weber Basin” water, which allows most Bountiful residents to utilize unlimited

amounts of non-culinary irrigation water during the months of April through October. Taken together, these low taxes and utility rates translate into savings of hundreds, and in some cases, thousands of dollars annually for Bountiful residents and businesses.

One of the emerging trends in state and local government is to look at a “sustainable” level of operations and funding. The 2011-12 budget has been prepared, designed and reviewed to be “right-sized” for the same way that our citizens are living – matching income to expenses, living within our means, and not paying for on-going expenses or services with one time monies.

### **A BUDGET “PRIMER”**

Every large organization, public and private, has a “fiscal year.” In the case of the federal government, the fiscal year begins October 1 and ends September 30. In the case of the state of Utah, the Davis County School District, and cities and towns throughout the state, the fiscal year begins July 1, and ends June 30. In the case of Davis County, and special districts throughout the state, the fiscal year is January 1 to December 31.

All governmental entities within the state of Utah are required to adopt budgets that are balanced with regard to revenues and expenses. This balancing can be done by utilizing fund balances or “reserves,” increasing income by raising taxes or rates, or decreasing expenses to match income.

State law mandates that municipal budgeting be done according to the state Uniform Fiscal Procedures Act which calls for budgeting to be done by “funds” which aggregate municipal activities into certain types of functions. In Bountiful, there are three general types of “funds.” The first type is known as “governmental” funds, and accounts for the activities paid for predominantly out of the general taxes of the City. The primary activities paid for out of these funds include police, fire, streets, engineering, parks, planning and administrative services provided by the City. The second type of funds are “enterprise” or proprietary funds, which are used primarily for the City’s utilities and for other activities which are paid for almost exclusively by the users of those services. The amount charged is based on the amount used. These activities include water, electric, storm drain, garbage collection and landfill operations, as well as cemetery and golf course services. The third and last type of funds is known as “intra-governmental service funds” which are used to pay for activities provided to all departments of the City, where funds are collected from each department and aggregated together into one budget for accounting purposes. These funds include the City’s liability insurance fund, the worker’s compensation fund, and the computer maintenance services fund. Also included in this category is the “Recreation Arts and Parks (RAP)” fund, which is used to account for money collected and remitted to Centerville City for construction of the Centerpoint Legacy Theatre, located off of Parrish Lane in Centerville which opened in January, 2011.

By mandating how city governments budget, the state is able to compare their activities and expenses by function with other governmental entities throughout the state. A central data base of the budgeting is compiled by the State, so that comparisons can be made. This allows for

quantitative metrics to compare the efficiency (costs per capita) and the effectiveness (results) of different city functions.

### **A PRIMER ON TAXES**

Citizen surveys conducted in the past several years indicate a general lack of understanding among the taxpaying public about how much they pay in taxes and where the money they pay in taxes goes. As the attached chart indicates, the average income for the 2009 income tax return year for all households in Bountiful was \$70,000, with average taxes paid per household of \$7,500. However, for married households filing a joint return, which represent approximately 60% of all households in Bountiful, the average income was \$92,000 and paid an average of \$10,000 in income tax. Bountiful's average adjusted gross income per household was higher than both Davis County and the State of Utah.

The average household pays a variety of federal, state and local taxes. The largest amount of taxes, not surprisingly, is paid to the federal government. Interestingly, the largest amount of taxes paid by most citizens is the Social Security/Medicare tax, half of which is paid by the individual taxpayer, and half of which is paid by the taxpayer's employer. Because the employer pays half the amount and the employee has the other half withheld from his check, he does not fill out any sort of paper work such as a tax return on the withholding. This tax tends to be "invisible" but it represents the largest single source of income to the federal government. All of the money that goes to the federal government from the payment of Social Security and Medicare withholding is used to pay current benefits. None of the money that is collected is set aside to pay for future benefit obligations. The federal government's actuarial obligations for current and future beneficiaries of both the Social Security system and the Medicare system are astronomical, and both systems are projected to be unsustainable within the next 5-10 years. Unfortunately, both the administration and the congress has been unwilling to own up to this dire financial condition even though both parties acknowledge that the sustainability of so-called "entitlement" programs of the federal government – Medicare, Medicaid and Social Security – are simply impossible to maintain without huge increase in taxes or significant decreases in benefits. The bottom line is that the federal government has simply promised more to its citizens than it has the ability to pay.

The second largest tax paid by the average Bountiful family is federal income tax. That money goes to the federal government for use in the general operations of the government, the largest expenses of which are social programs such as Medicaid, national defense, interest on the national debt, and other federal expenses. Unfortunately, even with the large amount of taxes collected from Bountiful residents for federal programs, the federal government is running a huge deficit, \$1.6 trillion last year, and projected to be \$1.6 trillion this year. In fact, almost 40¢ of every dollar that the federal government is spending is being borrowed, and the projected budget deficit for fiscal year 2012 is \$1.6 trillion even without expenditures for these stimulus programs and other budget-busting proposals. The citizens of Bountiful, together with the citizens of the rest of this nation, should be extremely concerned about our federal government's

inability to balance its budget and live within its means. With 75% of all taxes paid by Bountiful citizens going to the federal government, it is difficult to believe that the federal budget is so out of balance, and the largest expenditure categories of federal spending are the “entitlement” programs that are growing the most rapidly.

At the state level, the largest tax paid by Bountiful families is personal income tax. Both personal and corporate income taxes in the state of Utah are dedicated to the uniform school fund to assist in paying for the cost of public education in the state. Sales tax is the second largest source of taxes paid to the state, and goes to fund the general operations of state government. Finally, gas taxes and vehicle registration fees go to fund road construction, maintenance and repair throughout the state. Overall, state taxes account for 18% of all taxes paid by an average Bountiful family. As the attached charts indicate, Utah’s budget is balanced with regard to revenues and expenses.

At the local level, the largest tax paid to government is property tax. Property tax is primarily used to fund education. Statewide, education receives 54% of all property taxes paid, while counties receive 18%, cities 14% and Special Districts 14%. In Davis County, however, the Davis County School District receives 63% of all property taxes paid, while Davis County receives 20%, Bountiful City 8%, and the Special Districts in the County receive 9%. Comparing Bountiful to the rest of the state, taxpayers pay a proportionately larger amount of their property tax to the Davis County School District and Davis County, while paying less to Special Districts, and only half the average state-wide city percentage to Bountiful City.

Bountiful City property taxes have been and continue to be kept low by the City Council. As the attached chart indicates, the average of the largest cities in the state is over double what the Bountiful property tax collection is, and even in Davis County, which has smaller cities that provide fewer municipal services, Bountiful’s rates are still almost 50% below the average. Given this year’s property tax rates, the average home in Bountiful valued at \$250,000 will pay \$1,732 in property taxes. Of that amount, \$143, or 8%, stays here in Bountiful. The balance goes to other taxing entities. Again, the 2011-12 budget does not have a property tax increase.

While sales taxes go predominantly to the state of Utah (4.7%), Bountiful does receive 1.1% of the total retail sales tax rate of 6.6%. The balance of sales taxes goes to the Utah Transit Authority (.55%) and Davis County (.25%). Gasoline taxes are imposed by both the federal and the state government, with the federal government receiving 18.5¢ per gallon and the state government collecting 24.5¢ per gallon. These amounts have not been changed for at least 15 years, during which time the retail price of gas has more than doubled. With the increased number of miles driven being offset by increased fuel efficiency of new vehicles, the overall revenue from gasoline tax has not increased to either the federal government or the state government over the past 15 years. The 2011-12 budget assumes that there will be any increase in sales or gasoline taxes in the next year.

**FUNDING GENERAL GOVERNMENT OPERATIONS**

Bountiful's governmental funds receive the majority of their money through taxes. The largest single tax which the City receives is sales tax. Local sales tax in the state of Utah is distributed 50% on the basis of population and 50% on the basis of point of sale. Bountiful's retail base has not kept pace with the income level of its citizens, and many of Bountiful's citizens shop elsewhere for goods and services they purchase. This situation has been exacerbated over the past several years as the Costco project has been fully developed adding many general retail, restaurant, specialty retail and home improvement stores, all of which have decreased Bountiful's retail base. Because of increased competition from big box stores and national restaurant chains, many of the smaller stores and restaurants that made up Bountiful's traditional retail base have gone out of business. Another challenge facing Bountiful is that Bountiful's population has not grown as rapidly as the statewide population, so the amount distributed to Bountiful on the basis of population continues to diminish as other areas grow more rapidly. Bountiful's 2011-12 budget assumes the same amount of sales tax revenue as the city received 6 years ago.

The second largest source of tax revenue is what is known as "franchise" taxes, primarily include the energy sales and use tax which is 6% of the retail sale of electricity and natural gas. However, there are also taxes applied to cell phones, cable TV and land-line based telephone services. The City expects to receive \$3.3 million from these taxes in the 2011-12 fiscal year.

Finally, the City receives \$2.4 million in property taxes which comprise approximately 20% of all taxes received by Bountiful.

As a public power City, Bountiful has for the last thirty years transferred money from the power fund to the general fund in order to keep property tax rates as low as possible and to provide a return on assets to the citizens of this City for the operation of an electric utility. Virtually all public power cities (those with their own municipal power departments) transfer funds from the power fund to the general fund. This includes thousands of cities across the nation, ranging in size from Los Angeles, CA; Austin, TX; Seattle, WA; and Mesa, AZ; to cities as small as Spanish Fork, Kaysville and Meadow, UT. In fact, state law provides the mechanism to accomplish the transfer of those funds. All of the funds transferred to the general fund pay for operation of general governmental activities, which are primarily fire, police and streets.

As the attached charts indicate, even with the increase in power rates, Bountiful's power rates will still be below Rocky Mountain Power's projected rates, and are still among the lowest in the state of Utah. The transfer of money from the power fund to the general fund also provides a way to recoup the cost of providing municipal services to tax-exempt properties that pay neither income nor property tax. It also provides a mechanism to keep property taxes low by having large commercial consumers provide a larger amount of revenue, while providing relief to small consumers such as those who live in apartments and smaller homes, and therefore have lower power consumption.

**CONCLUSION**

Bountiful's 2011-12 budget is balanced with regard to revenues and expenses. It provides the financial plan necessary to keep the City on a sustainable path for the next fiscal year, and continues to provide funding to deliver quality services to citizens and maintain the public infrastructure of the City. The 2011-12 budget provides the funding necessary to deliver to the citizens safe and reliable public safety services, street maintenance, parks, recreation, water, power, snow removal and other services, while at the same time keeping Bountiful's taxes, fees, charges and rates the lowest of any community in the state of Utah. As the "City of Beautiful Homes and Gardens," Bountiful will continue to be an outstanding city in which to live, to raise families, to do business and to recreate. We look forward to the council's approval of the 2011-12 fiscal year budget which will begin July 1, and pledge to be wise stewards of the public funds contained in this budget.





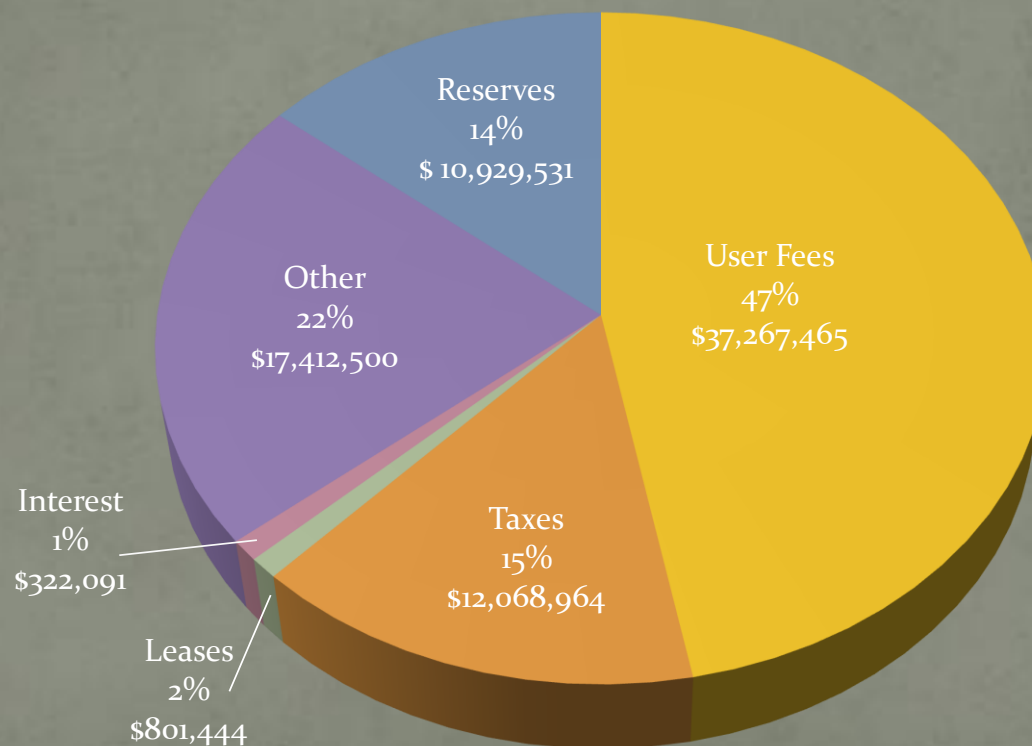
---

*Bountiful City*  
2011-2012 Fiscal Year Budget

# 2011-2012 BUDGET

## Where The Money Comes From

---



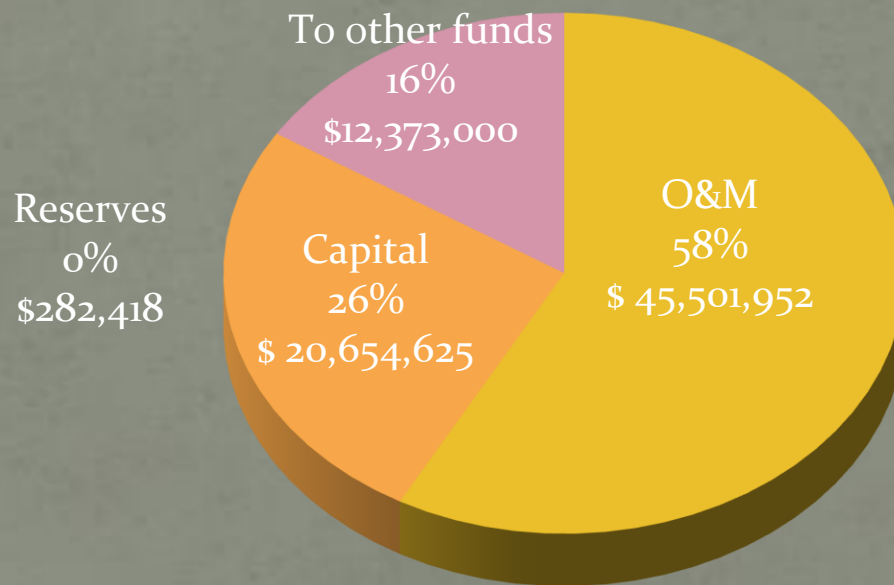
## 2011-2012 BUDGET -- Where The Money Comes From

FUND\$	User Fees	Taxes	Leases	Interest	Reserves	Other	TOTAL
General	\$ 2,512,500	\$ 10,110,000	\$ 160,000	\$ 10,000	\$ 0	\$ 2,300,000	\$ 15,092,500
Capital	\$ 0	\$ 1,658,964	\$ 0	\$ 160,000	\$ 10,000,000	\$ 0	\$ 11,818,964
Debt Service & MBA	\$ 270,000	\$ 0	\$ 612,544	\$ 5,500	\$ 86,546	\$ 0	\$ 974,590
<b>GOVERNMENTAL FUNDS TOTAL</b>	<b>\$ 2,782,500</b>	<b>\$11,768,964</b>	<b>\$ 772,544</b>	<b>\$10,086,546</b>	<b>\$ 175,500</b>	<b>\$ 2,300,000</b>	<b>\$27,886,054</b>
<b>% OF BUDGET</b>	<b>10%</b>	<b>42%</b>	<b>3%</b>	<b>1%</b>	<b>36%</b>	<b>8%</b>	<b>100%</b>
Recycling	\$ 442,839	\$ 0	\$ 0	\$ 194	\$ 1,216	\$ 0	\$ 444,249
Storm Water	\$ 890,725	\$ 0	\$ 0	\$ 6,000	\$ 29,952	\$ 2,000	\$ 926,677
Water	\$ 3,022,046	\$ 0	\$ 0	\$ 18,600	\$ 183,962	\$ 12,000	\$ 3,236,608
Power	\$ 26,171,389	\$ 0	\$ 0	\$ 28,404	\$ 180,000	\$ 15,098,500	\$ 41,478,293
Golf Course	\$ 1,418,000	\$ 0	\$ 25,000	\$ 10,000	\$ 0	\$ 0	\$ 1,453,000
Landfill	\$ 881,500	\$ 0	\$ 0	\$ 50,000	\$ 0	\$ 0	\$ 931,500
Sanitation	\$ 848,367	\$ 0	\$ 0	\$ 75,000	\$ 0	\$ 0	\$ 885,867
Cemetery	\$ 300,200	\$ 0	\$ 3,900	\$ 6,300	\$ 115,634	\$ 2,000	\$ 428,034
<b>ENTERPRISE FUNDS TOTAL</b>	<b>\$33,975,066</b>	<b>\$ 0</b>	<b>\$ 28,900</b>	<b>\$ 126,998</b>	<b>\$ 510,764</b>	<b>\$15,112,500</b>	<b>\$49,754,228</b>
<b>% OF BUDGET</b>	<b>69%</b>	<b>0%</b>	<b>0%</b>	<b>0%</b>	<b>1%</b>	<b>30%</b>	<b>100%</b>
Computer Maintenance	\$ 34,899	\$ 0	\$ 0	\$ 528	\$ 0	\$ 0	\$ 34,427
Liability Insurance	\$ 275,000	\$ 0	\$ 0	\$ 21,065	\$ 227,858	\$ 0	\$ 523,923
Worker's Compensation	\$ 200,000	\$ 0	\$ 0	\$ 8,000	\$ 104,363	\$ 0	\$ 312,363
RAP Tax	\$ 0	\$ 300,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 300,000
<b>INTERNAL SERVICE FUNDS TOTAL</b>	<b>\$ 509,889</b>	<b>\$ 300,000</b>	<b>\$ 0</b>	<b>\$ 29,593</b>	<b>\$ 332,221</b>	<b>\$ 0</b>	<b>\$ 1,171,713</b>
<b>% OF BUDGET</b>	<b>45%</b>	<b>26%</b>	<b>0%</b>	<b>2%</b>	<b>28%</b>	<b>0%</b>	<b>100%</b>
<b>TOTAL – ALL FUNDS</b>	<b>\$37,267,465</b>	<b>\$12,068,964</b>	<b>\$ 801,444</b>	<b>\$ 322,091</b>	<b>\$10,929,531</b>	<b>\$17,412,500</b>	<b>\$78,811,995</b>
<b>% OF BUDGET</b>	<b>47%</b>	<b>15%</b>	<b>1%</b>	<b>1%</b>	<b>14%</b>	<b>22%</b>	<b>100%</b>

# 2011-2012 BUDGET

## Where The Money Goes

---



## 2011-2012 BUDGET – Where the Money Goes

<b>FUND</b>	<b>O &amp; M</b>	<b>Capital</b>	<b>To Reserves</b>	<b>To Other Funds</b>	<b>TOTAL</b>
<b>General</b>	\$15,092,500	\$0	\$0	\$0	\$15,092,500
<b>Capital</b>	\$0	\$1,818,964	\$0	\$10,000,000	\$11,818,964
<b>Debt Service &amp; MBA</b>	\$0	\$974,590	\$0	\$0	\$974,590
<b>GOVERNMENTAL FUNDS TOTAL</b>	<b>\$15,092,500</b>	<b>\$2,793,554</b>	<b>\$0</b>	<b>\$10,000,000</b>	<b>\$27,886,054</b>
<b>% OF BUDGET</b>	<b>54%</b>	<b>10%</b>	<b>0%</b>	<b>36%</b>	<b>100%</b>
<b>Recycling</b>	\$444,249	\$0	\$0	\$0	\$444,249
<b>Storm Water</b>	\$703,677	\$223,000	\$0	\$0	\$926,677
<b>Water</b>	\$2,484,836	\$639,100	\$112,672	\$0	\$3,236,608
<b>Power</b>	\$22,666,322	\$16,438,971	\$0	\$2,373,000	\$41,478,293
<b>Golf Course</b>	\$1,228,569	\$140,000	\$84,431	\$0	\$1,453,000
<b>Landfill</b>	\$929,120	\$0	\$2,380	\$0	\$931,500
<b>Sanitation</b>	\$718,409	\$65,000	\$72,458	\$0	\$855,867
<b>Cemetery</b>	\$343,034	\$85,000	\$0	\$0	\$428,034
<b>ENTERPRISE FUNDS TOTAL</b>	<b>\$29,518,216</b>	<b>\$17,591,071</b>	<b>\$271,941</b>	<b>\$2,373,000</b>	<b>\$49,754,228</b>
<b>% OF BUDGET</b>	<b>59%</b>	<b>35%</b>	<b>1%</b>	<b>5%</b>	<b>100%</b>
<b>Computer Maintenance</b>	\$24,950	\$0	\$10,477	\$0	\$35,427
<b>Liability Insurance</b>	\$523,923	\$0	\$0	\$0	\$523,923
<b>Worker's Compensation</b>	\$312,363	\$0	\$0	\$0	\$312,363
<b>RAP Tax</b>	\$30,000	\$270,000	\$0	\$0	\$300,000
<b>INTERNAL SERVICE FUNDS TOTAL</b>	<b>\$891,236</b>	<b>\$270,000</b>	<b>\$10,477</b>	<b>\$0</b>	<b>\$1,171,713</b>
<b>03% OF BUDGET</b>	<b>76%</b>	<b>23%</b>	<b>1%</b>	<b>0%</b>	<b>100%</b>
<b>TOTAL – ALL FUNDS</b>	<b>\$45,501,952</b>	<b>\$20,654,625</b>	<b>\$282,418</b>	<b>\$12,373,000</b>	<b>\$78,811,995</b>
<b>% OF BUDGET</b>	<b>58%</b>	<b>26%</b>	<b>0%</b>	<b>16%</b>	<b>100%</b>

# 2011-2012 BUDGET

## 2009 Calendar Year Federal Income Tax Highlights

---

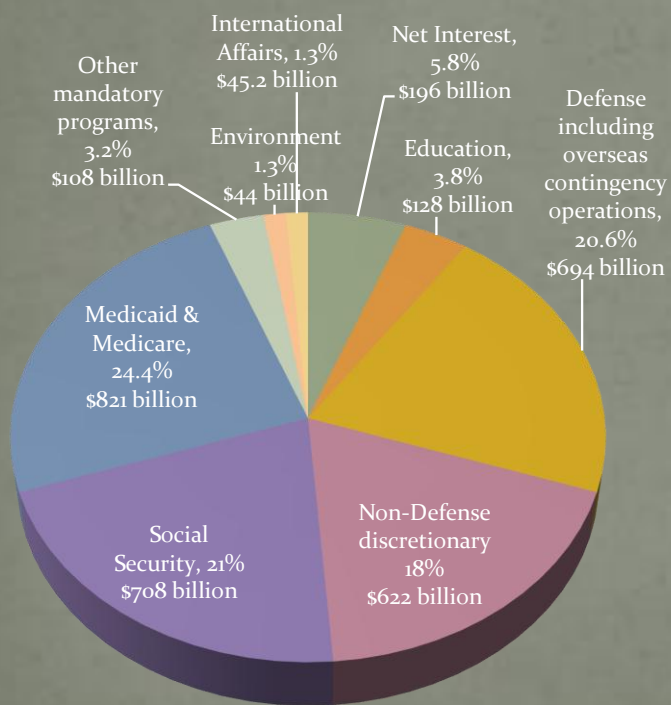
- Bountiful households (zip code 84010) reported a total of \$987,514,241 in Federal Adjusted Gross Income (AGI) in 2009.
- Average AGI per household was \$69,720, and average tax paid per household was \$7,500.
- Average exemptions per household was 2.73.
- Average of married households filing a joint return (8,619 out of 14,257) was \$91,773 in household income, paying an average of \$10,000 in income tax.
- Bountiful average AGI per household was higher than both Davis County and the State of Utah.



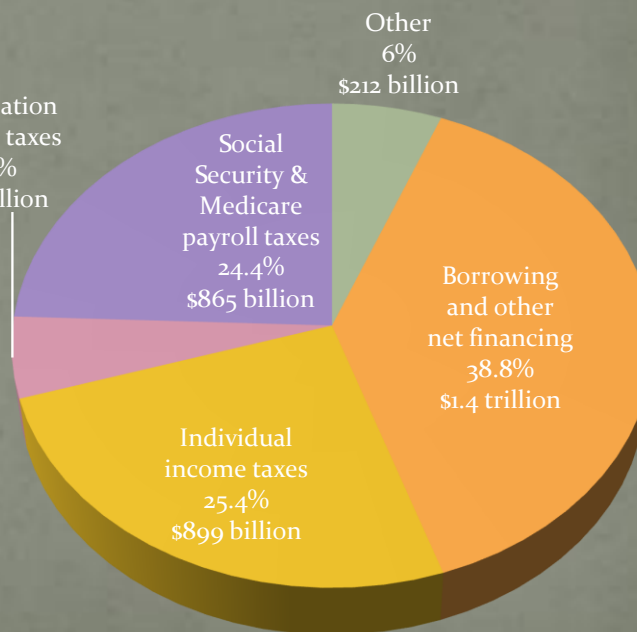
# 2011-2012 BUDGET

## Federal Tax Distribution – 2010 Fiscal Year

### Policy Outlays by Category



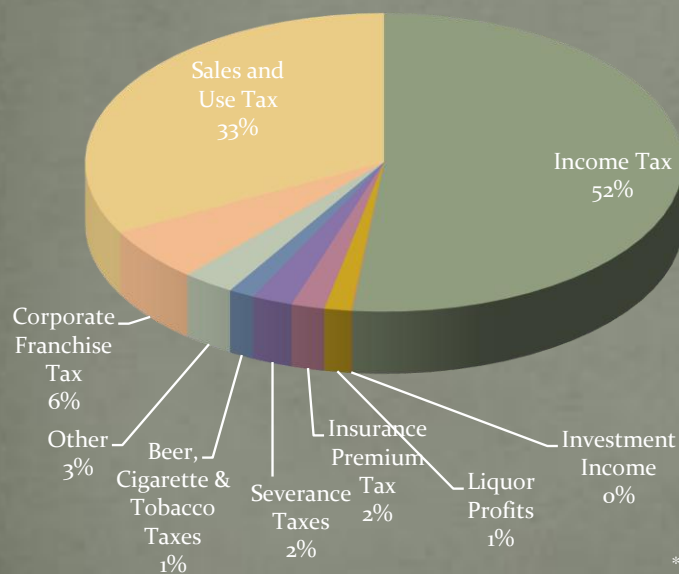
### Policy Revenues by Source



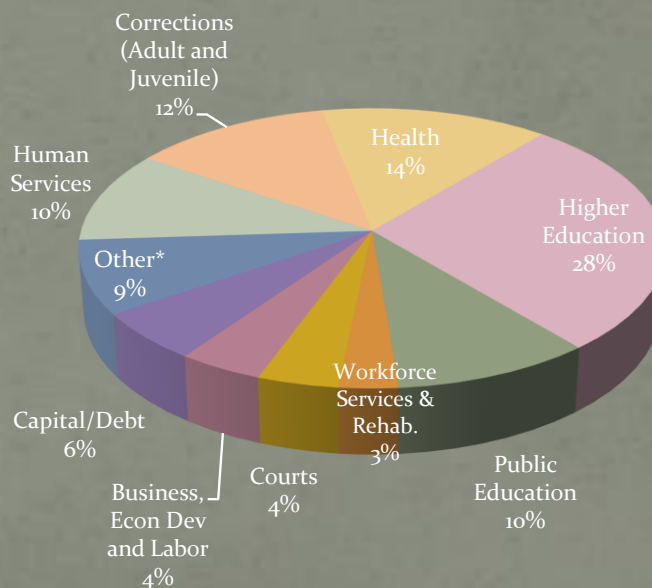
# 2011-2012 BUDGET

## Utah State Budget – State Funds 2011-12

Where State Dollars  
Come From  
\$4.8 Billion



Where State Dollars Go  
\$4.8 Billion



\*Other

Administrative Services	0.5%
Elected Officials/Legislature	1.4%
National Guard, Veteran Affairs & CPB	0.2%
Retirement and Independent Entities	0.1%

Courts	1.1%
Natural Resources	0.9%
Public Safety	1.3%
Technology Services	0.1%

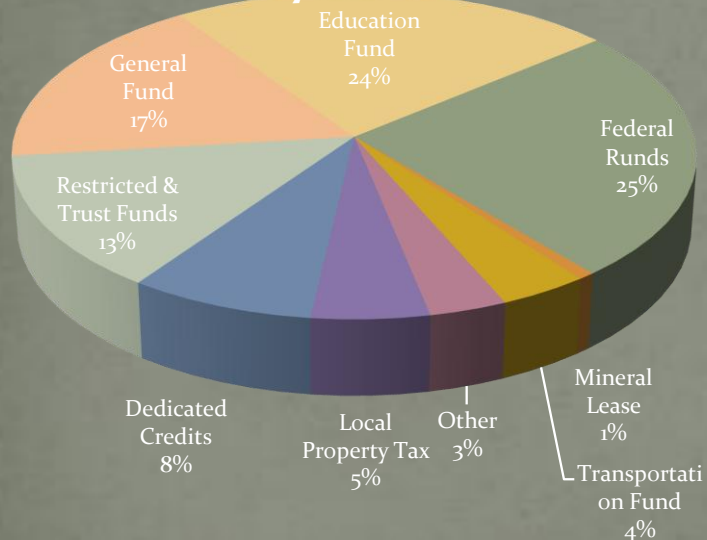


# 2011-2012 BUDGET

## Utah Budget - All Funds, 2011-2012

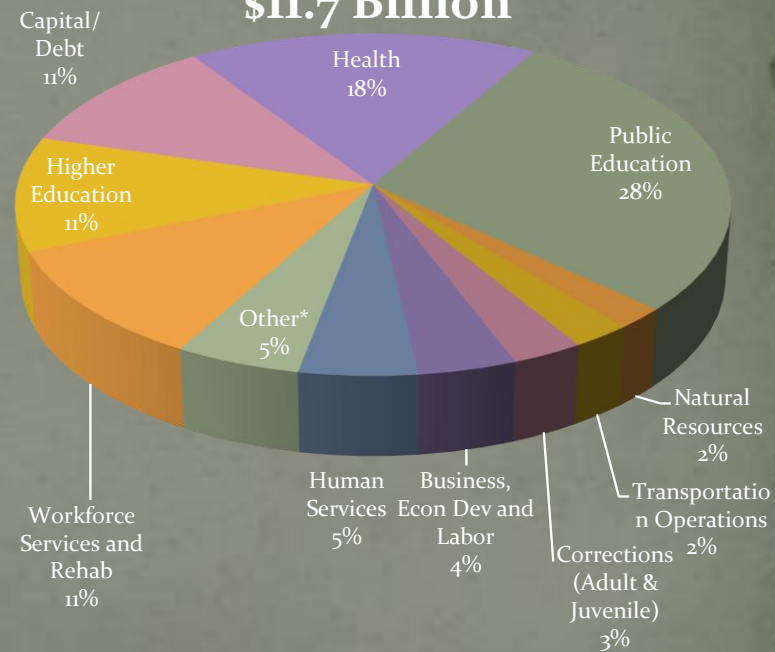
### Where All Dollars Come From

**\$11.7 Billion**



### Where All Dollars Go

**\$11.7 Billion**



\*Other

Administrative Services 0.5%  
Elected Officials/Legislature 1.0%  
National Guard, Veteran Affairs & CPB 0.4%  
Retirement and Independent Entities 0.1%

Courts 1.1%  
Environmental Quality 0.4%  
Public Safety 1.5%  
Technology Services 0.1%

# 2011-2012 BUDGET

## 2009 Calendar Year Tax Burden for a Bountiful Family

---

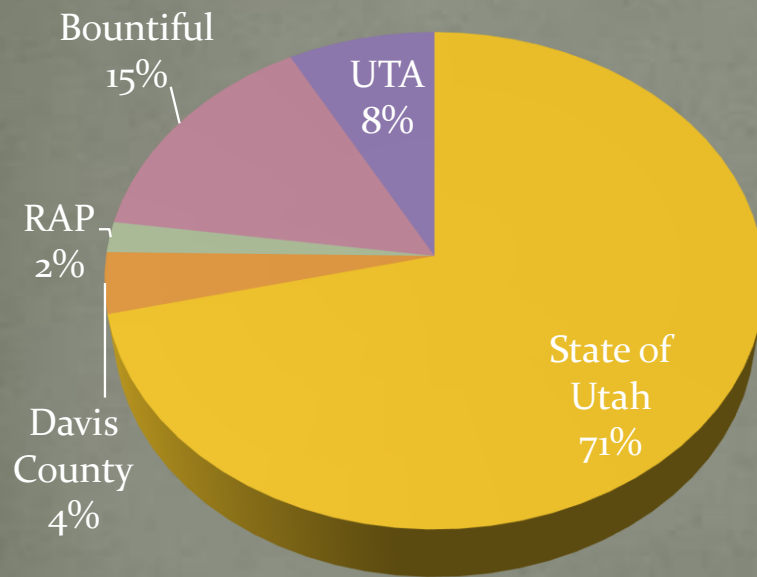
**AVERAGE HOUSEHOLD INCOME FOR A JOINT RETURN HOUSEHOLD: \$ 91,773**

---

<b>FEDERAL TAXES</b>	Social Security & Medicare Tax (15.3%)	\$ 14,041	
	Federal Income Tax (11.3% net)	\$ 10,000	
	Federal Gas Tax (18.5¢ / gallon)	\$ 250	
	<b>Total Federal Taxes</b>	<b>\$ 24,291</b>	<b>74%</b>
<b>STATE TAXES</b>	State Income Tax (5%)	\$ 4,338	
	State Sales Tax	\$ 1,175	
	Gasoline & Registration - vehicles	\$ 600	
	<b>Total State Taxes</b>	<b>\$ 6,113</b>	<b>19%</b>
<b>LOCAL TAXES</b>	Property Tax	\$ 1,732	
	Sales Taxes	\$ 475	
	Franchise Taxes	\$ 160	
	<b>Total Local Taxes</b>	<b>\$ 2,367</b>	<b>7%</b>
<b>TOTAL TAXES</b>		<b>\$ 32,771</b>	<b>100%</b>

# 2011-2012 BUDGET

## Sales Tax Rates



### SALES TAX RATE

	<u>Rate</u>	<u>% of Total</u>
State of Utah	4.70%	72%
Bountiful	1.00%	15%
RAP	0.10%	2%
Davis County	0.25%	4%
UTA	0.55%	8%

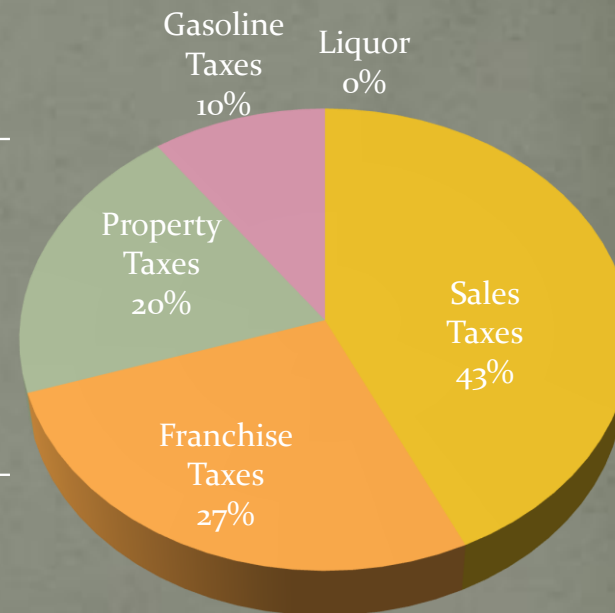
### GASOLINE TAX RATE

Per gallon of gas:	Fed. Gov.	18.5¢
	State Gov.	<u>24.5¢</u>
	TOTAL	43.0¢
Distribution:	State of Utah	75%
	Cities & Counties	25%

# 2011-2012 BUDGET

## Tax Revenues

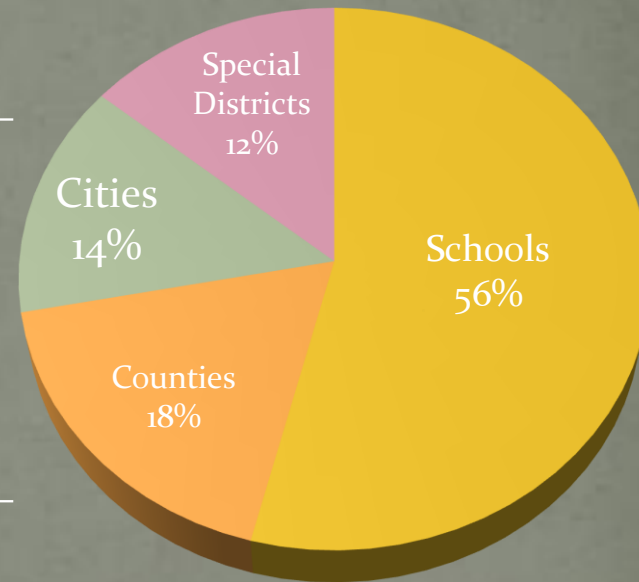
Tax	Amount	Percentage
Sales Taxes	\$ 5,130,000	43%
Franchise Taxes	3,260,000	27%
Property Taxes	2,410,000	20%
Gasoline Taxes	1,230,000	10%
Liquor Taxes	40,000	0%
<b>TOTALS</b>	<b>\$12,070,000</b>	<b>100%</b>



# 2011-2012 BUDGET

## State of Utah Average Residential Property Tax

Government Type	Total Revenue	% of Total
Schools	\$ 1,382,000,000	54%
Counties	457,000,000	18%
Cities	347,000,000	14%
Special Districts	364,000,000	14%
<b>TOTALS</b>	<b>\$ 2,550,000,000</b>	<b>100%</b>

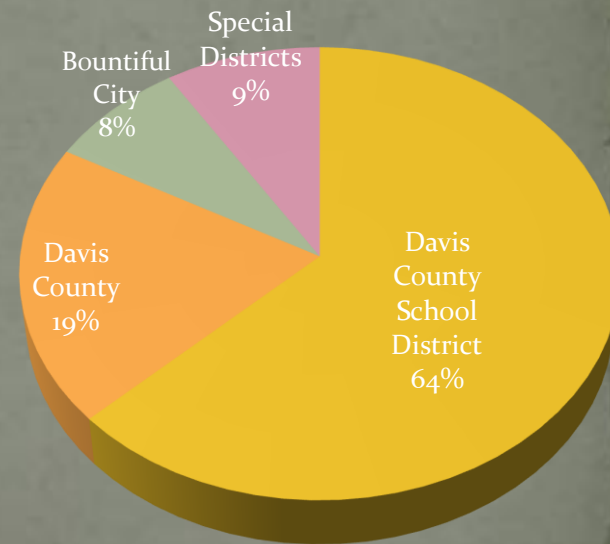


# 2011-2012 BUDGET

## Bountiful/Davis Property Tax on \$250,000 Home

\$ 250,000	Market Value
X .45	Homeowner's Exemption
<u>\$ 112,500</u>	Total Homeowner's Exemption
\$ 137,500	Taxable Value
X 0.012595	2010 Certified Tax Rate
<u>\$ 1,732</u>	

Entity	2010 Certified Tax Rate	Distribution	% of Total
Davis County School District	0.007860	\$ 1,181	63%
Davis County	0.002576	\$ 354	20%
Bountiful City	0.001037	\$ 143	8%
Special Districts	0.001120	\$ 154	9%
•Weber Basin	0.000207		
•Bountiful Subconservancy	0.000097		
•South Davis Recreation	0.000122		
•South Davis Sewer	0.000315		
•Mosquito Abatement	0.000379		
<b>TOTALS</b>	<b>0.012595</b>	<b>\$ 1,732</b>	<b>100%</b>





# 2010-2011 BUDGET

## 2009-10 Property Tax Rates – Utah Cities

City	Tax Rate	Tax Bill on \$250,000 Home	% of Bountiful
SALT LAKE CITY *	0.004637	\$ 638	466%
WEST VALLEY CITY	0.003644	\$ 501	350%
PROVO *	0.001691	\$ 233	162%
OREM	0.001739	\$ 239	167%
WEST JORDAN	0.002128	\$ 293	205%
SANDY	0.001402	\$ 193	135%
LAYTON	0.001933	\$ 266	186%
ST. GEORGE	0.001750	\$ 241	168%
OGDEN	0.003321	\$ 457	320%
TAYLORSVILLE	0.001739	\$ 239	167%
LOGAN *	0.001474	\$ 203	142%
MURRAY *	0.001740	\$ 239	167%
MIDVALE	0.002669	\$ 367	257%
SOUTH JORDAN	0.002072	\$ 285	199%
DRAPER	0.001896	\$ 261	183%
HOLLADAY	0.001720	\$ 237	166%
COTTONWOOD HEIGHTS	0.002517	\$ 346	242%
BRIGHAM CITY *	0.001739	\$ 239	167%
AMERICAN FORK	0.002630	\$ 362	253%
LEHI	0.002370	\$ 326	228%
SOUTH SALT LAKE	0.002729	\$ 375	262%
<b>AVERAGE</b>	<b>0.002255</b>	<b>\$ 311</b>	<b>218%</b>
<b>BOUNTIFUL</b>	<b>0.001037</b>	<b>\$ 143</b>	<b>100%</b>

\* DOES NOT INCLUDE LIBRARY LEVY

# 2011-2012 BUDGET

## 2010-11 Property Tax Rates – Davis County Cities

City	Tax Rate	Tax Bill on a \$250,000 Home	% of Bountiful
CENTERVILLE	0.001102	\$ 152	106%
CLEARFIELD	0.001548	\$ 213	149%
CLINTON	0.001752	\$ 241	169%
FARMINGTON	0.002109	\$ 290	203%
FRUIT HEIGHTS	0.002006	\$ 276	193%
KAYSVILLE	0.000987	\$ 136	95%
LAYTON	0.001933	\$ 266	186%
NORTH SALT LAKE	0.001520	\$ 209	146%
SOUTH WEBER	0.000827	\$ 114	80%
SUNSET	0.002138	\$ 294	206%
SYRACUSE	0.001631	\$ 224	157%
WEST BOUNTIFUL	0.001366	\$ 188	131%
WEST POINT	0.000936	\$ 129	90%
WOODS CROSS	0.000840	\$ 116	81%
AVERAGE	0.001472	\$ 203	142%
BOUNTIFUL	0.001037	\$ 143	100%



# 2011-2012 BUDGET

## Residential Customer Electric Consumption

---

Usage	Bountiful Power Rates	Rocky Mtn Power Rates
for first 1,000 KWH May – Sept	9.25¢	9.2¢
for all KWH over 1,000 May – Sept	9.25¢	12.37¢
for all KWH October - April	9.25¢	8.73¢
per month customer charge	\$4.20	\$3.75

# 2011-2012 BUDGET

## Residential Customer Electric Consumption

Month	Consumption	Rocky Mountain Power Bill	Bountiful Bill
January	800	\$ 70.95	\$ 78.20
February	720	64.26	70.80
March	640	57.56	63.40
April	600	54.21	59.70
May	900	86.04	87.45
June	1500	157.91	142.95
July	1800	195.05	170.70
August	1900	207.43	179.95
September	1300	133.15	124.45
October	600	54.21	59.70
November	640	57.56	63.40
December	920	80.99	89.03
TOTALS	12,320	\$ 1,219.35	\$ 1,190.00

Bountiful's bill is \$ 29.35 or 2.4% lower

# 2011-2012 BUDGET

## Light & Power Fund – 12-year History of Expenses

Year	General Fund Transfer	Generation Expenses
2000-01	2,119,000	15,102,000
2001-02	1,903,000	16,175,000
2002-03	1,915,000	12,200,000
2003-04	2,019,000	16,175,000
2004-05	2,150,000	13,504,000
2005-06	2,322,000	13,654,000
2006-07	2,428,000	13,599,000
2007-08	2,400,000	14,293,000
2008-09	2,200,000	16,987,000
2009-10	2,200,000	17,544,000
2010-11	2,100,000	17,724,000
2011-12 (budget)	2,200,000	16,773,000